

## **Minutes of the Finance Committee Meeting**

**Wednesday, November 6, 2002**

Chair Haukohl called the meeting to order at 9:41 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Joe Griffin, Mike Sonnentag, Joe Marchese, and Genia Bruce. Jim Behrend arrived at 10:34 a.m. **Absent:** Don Broesch.

**Also Present:** Legislative Policy Advisor Mark Mader, Chief of Staff Lee Esler, Internal Audit Manager Lori Schubert, Accounting Services Manager Larry Dahl, Chief of Staff Jeff Landin, Administration Director Norm Cummings, Historical Society Executive Director Sue Baker, Historical Society Member Bob Steliga, Treasurer Pam Reeves, Employee Benefits Administrator Pete Hans, Employment Services Manager Sue Zastrow, Labor Relations Manager Jim Richter, Purchasing Manager Susan Connelly, County Board Supervisor Scott Klein, and Information Systems Manager Mike Biagioli.

### **Executive Committee Report**

Haukohl advised of the following issues discussed at the last Executive Committee meeting.

- Reviewed the possibility of contracting out the County's mass transit services and the amendment from the Finance Committee which opens up the competitive bidding process between Milwaukee County and the City of Waukesha. Haukohl said the discussion was for informational purposes but it seems a consensus of the committee supported the amendment.
- Passed Ordinance 157 -O-080 to approve the agreement for sale and development of the old Courthouse.
- Ordinance 157 -O-078 to transfer jurisdiction of highways with the City of Delafield was held over at the Public Works Committee.
- Approved Ordinance 157 -O-079 adopting an Internet access policy for land information records. Haukohl noted that it does not allow people to search for a property by name.

### **Announcements**

Marchese felt the comments by reporter Dennis Shook in the *Waukesha Freeman* about how Chair Haukohl ran the October 28<sup>th</sup> Finance Committee meeting were unfair. Other committee members agreed.

### **Establish Petty Cash Fund in the Child Support Division**

To answer Griffin's question with regard to monitoring, Dahl, acting in Principal Assistant Corporation Counsel Debbie Price's absence, explained that Internal Audit does check petty cash fund balances.

**MOTION:** Marchese moved, second by Sonnentag to approve a petty cash fund in the Child Support Division. Motion carried 5 -0.

### **Report on Federal and State Financial Assistance for Year Ending Dec. 2001**

Schubert said the report by outside auditors Virchow Krause basically states that they didn't find anything significant and there were no issues of noncompliance. There was a filing issue for the Family Support area. Apparently, staff could not find some records during the audit and therefore, this had to be noted in the report. There was also a record keeping issue with the Medical Assistance Program and this will be addressed. The Community Development Block Grant finding was probably the most significant which was basically timing related with regard to when we issue the grants, when we receive the funding, and when we prepare the budget. Schubert said we will never be able to completely eliminate this as an issue but Community Development Coordinator Glen Lewinski has agreed to implement some audit recommendations.

**MOTION:** Marchese moved, second by Griffin to accept the report on federal and state financial assistance for year ending December, 2001.

**Ordinance 1570- 080: Approve Agreement for Sale and Development of the Old Courthouse**

It was noted that among the three committees that have discussed this ordinance, 6 supervisors have voted against it for various reasons. Cummings discussed the ordinance which reflects the exact parameters that were set in the resolution that was adopted by the County Board in August. Under this agreement, the County will give the museum \$225,000 for building operations for the first year, reducing that amount by \$12,000 each year after that for a total of 10 years. Cummings said the museum will still have to rigorously pursue donations and other revenue to pay for operations including their planned expansion. He advised that if this ordinance is defeated, the County will have to continue paying for the building's maintenance which currently costs about \$200,000 per year – a significant commitment. Cummings said many of the capital projects that the museum will undertake, are maintenance related projects that should have been done by the County years ago. In addition, the cost of maintaining that building will increase each year. The County grant cannot be used for any exhibits and it must be used for building improvements.

The County will partner with the City of Waukesha. The City will take out a \$900,000 loan to help pay for museum capital projects. As long as the Historical Society meets the agreed performance standards, the County will make a payment each year toward that. If performance standards are not met, all payments will cease. Cummings said it's the assumption that the City will take a security interest in the building because of the loan and because of the building's location. Cummings noted that the County/City agreement was very carefully written to limit the County's liability. This proposal is contingent on the City getting the loan. By no means would the County get this building back.

Cummings advised the Executive Committee approved an amendment which allows the County the right to audit. There is also a new fiscal chart because the interest calculations were incorrect, about \$100,000 less than what it should have been, in the original ordinance.

Behrend arrived at 10:34 a.m.

Marchese and Behrend spoke in favor of the ordinance. Behrend felt because the building is historic, it should be preserved and retained in its present use. He said the building would flounder with private sector use primarily due to limited parking. The building is a liability and an obligation and should be taken off the books. Sonnentag disagreed and felt the building should be retained by the County and used for other purposes. Cummings replied that the County should not be in the rental business. It's been done before and it just isn't in the County's best interests.

**MOTION:** Marchese moved, second by Griffin to approve ordinance 1570-O-080. Motion carried 4 -2. Bruce and Sonnentag voted no.

**Final Report on In - Rem**

Reeves distributed copies of "Properties Taken in Treasurer's 2002 In - Rem Process" which totaled 7 properties in Waukesha County. Reeves discussed each one in detail and the State Statutes with regards to appraised values vs. selling price which will be discussed further at a future meeting.

**Ordinance 1570- 081: 2003 Non - Represented Employee, Elected Official, and Retiree Benefits and Non-Represented Employee Salaries**

Richters said this ordinance involves changes in the 2003 salaries and benefits for the above listed individuals. He went on to discuss the provisions of the ordinance as outlined. Richters said the Personnel Committee amended the ordinance by deleting salary adjustments of 5 and 10 cents for Step Ranges 9

through 10 and Information Systems (IS) Range 2, and Step Ranges 1 through 8 and IS Range 1, respectively. Richter said the increases were being offered to those positions that are in the lower and mid-level salary ranges to help offset the health insurance increases. The Personnel Committee also decreased the annual \$100 employer contributions into Section 125 Health Care Reimbursement Accounts to \$50.

Marchese felt the County had to start getting tough but he was willing to go along with Administration's recommendations. Sonnentag said this was a start to saving costs. Behrend also supported the amendments but Bruce and Haukohl did not. Bruce did not feel this was good planning and often, you have to make more drastic changes later in order to catch up. With regard to the 5% and 10% cost-of-living adjustments, Bruce agreed with Richter's comment that some of these individuals could very well be represented employees and this would cost the County even more money.

The total estimated fiscal impact of the ordinance was \$785,284 although the amendments made by the Personnel Committee reduce that figure by about \$65,000. Haukohl said the committee could attempt to amend it back to its original form when it's taken up on the County Board floor next Tuesday. Haukohl clarified that a "yes" vote today supports the ordinance in its amended form.

**MOTION:** Marchese moved, second by Sonnentag to approve ordinance 157 -O-081. Motion defeated 3-3. Haukohl, Griffin, and Bruce voted no.

#### **Discuss the Request for Proposal (RFP) Process**

Haukohl said, with regard to the jail project, some supervisors had concerns that the RFP process may have been biased or perhaps flawed in the selection of the evaluation committee and in the weight of the cost factor in choosing between two close vendors. Kleindidn't think the process was flawed but he did feel that the 25% weight placed on the total cost was too high of a percentage. Also, because the project was broken into two phases, he felt it gave an unfair advantage to the contractor who was involved in the first phase. He also had concerns that some of the evaluation committee members did not have design knowledge and therefore, may not be the best individuals to select design professionals.

Connelly said the jail project was broken into three phases because staff felt this was the best way to maximize competition. Chosen for all evaluation committees are representatives from the department requesting the service, the Purchasing Division, a County Board Supervisor, and other relevant individuals chosen from departments that may have an interest or will be involved with the service. They have also brought in individuals from outside counties for certain projects.

Haukohl said some supervisors had concerns that the evaluation committee members involved in the Phase II selection process were very involved with the vendor selection for Phase I and that it may not have provided for the most objective perspective. Behrend felt if a project is divided into multiple phases in the future, we should bring in new people for second and subsequent phases. Connelly felt maybe some additional people as opposed to all new members might be the better option. Using the jail project as an example, Connelly said you don't want to exclude the Sheriff for subsequent phases. Behrend agreed. Griffin wondered if new evaluation committee members that weren't involved in the Phase I could adversely affect the outcome of subsequent phases in ways that could elongate or distort the process. Connelly said it's possible, depending on that individual's score.

Sonnentag had concerns that whoever has the best price may not be the most qualified. There are times when a vendor comes in second place in other areas but because they had the best price, they're awarded the contract. He felt it was important to grade the cost against an external grading system otherwise the evaluation process is inconsistent. Connelly said this does happen on occasion, perhaps 25% of the time. However, the evaluation committee never gets to see cost. If a vendor's cost is over budget, Purchasing

negotiates with the vendor to get the cost reduced without sacrificing quality. If a vendor does not come below budget, they're typically eliminated right away without an interview. Sonnentag said even if the vendors are under budget, we could lose the most qualified vendor because the vendor awarded the contract had a much lower cost. Connelly said out of the 36 proposals in 2001, the price prevailed in only eight. In many cases, they were less than a point apart. And sometimes, the cost differences among the vendors were very different, for example, as low as \$40,000 to as high as \$200,000. Is one point, or sometimes even less, worth paying that much more money? Sonnentag still had concerns with regard to less qualified vendors being awarded contracts because their bid is lower. He didn't think the grading scale was consistent throughout all five steps of the evaluation process.

Eslers said it's important to remember that Phase II of the contract was not awarded to Kimme & Associates (the Phase I vendor) but that it was awarded to HGA (a subcontractor of Kimme but still a different company).

Haukoht said if the committee had any suggestions for changes to the evaluation process, to let them know and they could be discussed at a future meeting.

Sonnentag left the meeting at 12:45 p.m.

#### **Contract Procurement Process for Public Safety System Software**

Biagioli said the contract was awarded to Spillman Technologies, the highest rated proposer, for a total contract cost of \$1,246,904. The amount budgeted had been \$1,500,000. A total of 69 RFP's were sent to potential vendors and 9 were returned for consideration.

**MOTION:** Marchese moved, second by Behrend to approve the contract procurement process for public safety system software. Motion carried 5 -0.

**MOTION:** Behrend moved, second by Marchese to adjourn at 1:26 p.m. Motion carried 5 -0.

Recorded by Mary Pedersen, Legislative Associate.

Respectfully submitted,

Joseph F. Griffin  
Secretary